



## State of Utah

### Department of Commerce Division of Public Utilities

FRANCINE GIANI    CHRIS PARKER  
*Executive Director    Director, Division of Public Utilities*

GARY HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Action Request Response

**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant

**Date:** April 2, 2019

**Re:** **RMP Advice No. 19-05, Rocky Mountain Power's Proposed changes to Schedule No. 118 – Low Income Weatherization**, Docket No. 19-035-T04

### Recommendation (Approval)

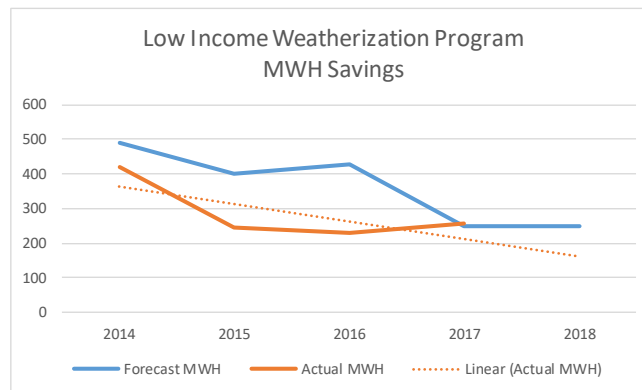
The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (RMP or Company) proposed changes to the Low Income Weatherization Program (Program).

### Issue

On March 19, 2019, the Company filed proposed changes to Utah Tariff Schedule No. 118, Low Income Weatherization Program with a requested effective date of April 19, 2019. On March 19, 2019, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule No. 118 and report its findings and recommendation to the Commission by April 2, 2019. Subsequently, the Commission issued a Notice of Filing and Comment Period giving interested parties until April 2, 2019 to file comments with reply comments due April 9, 2019. This memorandum represents the Division's response to the Commission's Action Request and its Notice of Filing and Comment Period.

## Discussion

The Company proposes multiple changes to the Low Income Program as a result of requests made by members of the DSM Steering Committee (Committee). The Committee meet on December 12, 2018, to discuss potential changes that would increase participation and result in increased energy savings. As can be seen in the following chart, the Program has experienced a decrease in energy savings in the last few years.



Many Low Income Weatherization measures are limited by the eligibility requirement of permanently installed operable electric space heating systems. Less than 1% of RMPs Utah service territory includes electric space heating. The Company is proposing Low Income qualifying homes with central air conditioning systems or evaporative coolers be eligible for ceiling and wall insulation measures. This change would still be in line with the Purpose of the Program which is to “maximize the efficient utilization of the *electricity* requirement of existing residential use dwellings.”<sup>1</sup> [Emphasis added]

Energy education reimbursement provided by the Housing and Community Development Division of the Department of Work Force Services (HCD) is currently only distributed to Low Income participants whose home is electrically heated. It is proposed the \$50 reimbursement be extended to all households regardless of the heating type. Again this is in line with the Program’s Purpose.

---

<sup>1</sup> Low Income Weatherization Schedule No. 118, Original Sheet No. 118.1, Purpose:

The Company is proposing to replace inefficient evaporative coolers and window air conditioning units with evaporative coolers when determined to be cost effective. The Program currently only allows central air condition unit replacement. Efficient evaporative coolers are a cost effective cooling method and use about one-quarter as much energy. They are also suitable for Utah's dry climate.

It is also proposed that customer crisis intervention funding provided by HUD for the repair and/or replacement of heating and cooling systems be reimbursed at 50% of associated costs incurred during an emergency situation.

Cost-Effectiveness analysis for expected participation on the proposed changes shows the Utility Cost Test at 2.21. The Company also included sensitivity analysis of a 10% increased and 10% decreased participation. The analysis provided shows Program incentives remain cost-effective in all sensitivities analyzed throughout the 2019 period.

On March 4, 2019, a draft filing of the proposed changes to Schedule No. 118 was provided to the DSM Steering Committee. The Company provided answers to questions submitted by the Division in the review of the filing.

## **Conclusion**

The Division concludes that the proposed changes are cost-effective and consistent with the Commission's goals to promote cost-effective DSM programs that are just and reasonable and in the public interest. The Division recommends that the Commission approve the Company's modifications to Electric Service Schedule No. 118.

Cc: Michael Snow, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List